

Global Tax Update

India

Deloitte Tohmatsu Tax Co.

July 2021

1. Production-Linked Incentives scheme (PLI) for white goods

The Government of India has notified production linked incentives to boost domestic manufacturing of white goods (components of air conditioners and LED lights). The government notified¹ production-linked incentives scheme ('Scheme') to boost domestic manufacturing of components required for production of air conditioners, LED lights and their components. The white goods industry is one of the several sector(s) identified by the government, to be offered production-linked incentives over the next few years, to substantially increase manufacturing output of the country.

An overview of the notified Scheme is provided below:

- The Scheme proposes financial incentives to boost domestic manufacturing and attract large investments in the white goods manufacturing value chain.
- The Scheme's objectives include removing sectoral disabilities, creating economies of scale, enhancing exports, creating a robust component ecosystem and employment generation.
- With an outlay of INR 6,238 crores (~US\$ 833 million), the Scheme offers incentives of 4% to 6% on incremental sales (net of taxes) over the base year² of goods manufactured in India for a period of 5 years (commencing from incremental sales made in FY 2022-23).
- Criteria of cumulative incremental investment in plant and machinery as well as incremental sales over the base year needs to be fulfilled by the applicants. The first year of investment will be FY 2021-22.
- Benefit of the Scheme shall be available to companies making brownfield or greenfield investments in the target segments.
- The Scheme shall be open for applications for a period of 6 months initially which may be extended.
- Other relevant details of the Scheme, for example, eligibility criteria, pre-qualification criteria for different target segments, etc. will be separately notified in Scheme Guidelines.

More details are available in the link below.

[Production-Linked Incentives \(PLI\) scheme for white goods](#)

2. Extension of various income-tax compliance timelines

The Central Board of Direct Taxes (CBDT)³ has extended various timelines for undertaking compliances under the Indian Income-tax Act, 1961 (ITA). In view of the challenges faced by the taxpayers in meeting their statutory compliance requirements across sectors, due to the severe COVID-19 pandemic situation, the government extended various compliance timelines under the ITA.

¹ Notification F. No. P-29014/101/2020-LEI dated April 16, 2021

² Base year for the purposes of Scheme shall be FY 2019-20

³ vide Circular No. 9 of 2021 dated 20 May 2021

Sl.no.	Compliance	Original time limits / timelines	Revised time limits / timelines
Income-tax returns (ITR) for Financial Year (FY) 2020-21			
1.	Furnishing of ITR by taxpayers required to submit transfer pricing report pertaining to international or specified domestic transaction(s)	30 November 2021	31 December 2021
2.	Furnishing of ITR by taxpayers (A Company and taxpayer required to be audited) are not required to submit transfer pricing report pertaining to international or specified domestic transaction(s)	31 October 2021	30 November 2021
3.	Furnishing of ITR by taxpayers other than covered in Sl. No. 1 and 2.	31 July 2021	30 September 2021
4.	Furnishing of belated or revised return of income.	31 December 2021	31 January 2022
Furnishing of reports / statements under the ITA for FY 2020-21			
5.	Furnishing of any audit report under the ITA whose due date is 30 September 2021	30 September 2021	31 October 2021
6.	Furnishing of accountant's (transfer pricing) report by taxpayers entering international or specified domestic transactions	31 October 2021	30 November 2021

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Contacts

Deloitte Tohmatsu Tax Co. , Japan

International Tax and M&A Services

Hiroyuki Hayashi, Partner, hiroyuki.hayashi@tohmatu.co.jp

Deloitte India

Bhavik Timbadia, Partner, btimbadia@deloitte.com

Pawankumar Kulkarni, Senior Manager, kpawan@deloitte.com

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Deloitte Tohmatsu Tax Co.

Tokyo Office

Marunouchi Nijubashi Building, 3-2-3 Marunouchi, Chiyoda-ku, Tokyo 100-8362, Japan

Tel : +81 3 6213 3800

email : tax.cs@tohmatu.co.jp

Corporate Info. : www.deloitte.com/jp/en/tax

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